

**"SEC. 553. PLAN FOR MANUFACTURE AND DEVELOPMENT."**

"(a) IN GENERAL.—Not later than 90 days after the date on which the Secretary purchases the patent rights of a patent owner, or enters into a licensing agreement with a patent owner, relating to a drug under section 551, the Secretary shall develop a plan for the manufacture and distribution of the drug.

"(b) PLAN REQUIREMENTS.—The plan shall set forth—

"(1) procedures for the Secretary to enter into licensing agreements with private entities for the manufacture and the distribution of the drug;

"(2) procedures for making the drug available to nonprofit entities and private entities to use in the treatment of a cocaine or heroin addiction;

"(3) a system to establish the sale price for the drug; and

"(4) policies and procedures with respect to the use of Federal funds by State and local governments or nonprofit entities to purchase the drug from the Secretary.

"(c) APPLICABILITY OF PROCUREMENT AND LICENSING LAWS.—The procurement and licensing laws of the United States shall be applicable to procurements and licenses covered under the plan described in subsection (a).

"(d) REVIEW OF PLAN.—

"(1) IN GENERAL.—Upon completion of the plan under subsection (a), the Secretary shall notify the Committee on the Judiciary and the Committee on Economic and Educational Opportunities of the House of Representatives, and the Committee on the Judiciary and the Committee on Labor and Human Resources of the Senate, of the development of the plan and publish the plan in the Federal Register. The Secretary shall provide an opportunity for public comment on the plan for a period of not more than 30 days after the date of the publication of the plan in the Federal Register.

"(2) FINAL PLAN.—Not later than 60 days after the date of the expiration of the comment period described in paragraph (1), the Secretary shall publish in the Federal Register a final plan. The implementation of the plan shall begin on the date of the final publication of the plan.

"(e) CONSTRUCTION.—The development, publication, or implementation of the plan, or any other agency action with respect to the plan, shall not be considered agency action subject to judicial review.

"(f) REGULATIONS.—The Secretary may promulgate regulations to carry out this section.

**"SEC. 554. AUTHORIZATION OF APPROPRIATIONS."**

"There are authorized to be appropriated to carry out this subchapter, such sums as may be necessary in each of the fiscal years 1997 through 1999." •

**ADDITIONAL COSPONSORS**

S. 773

At the request of Mrs. KASSEBAUM, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 773, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for improvements in the process of approving and using animal drugs, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from New York [Mr. MOYNIHAN], the Senator from Connecticut [Mr. DODD], the Sen-

ator from Louisiana [Mr. BREAU], the Senator from South Dakota [Mr. PRESSLER], the Senator from Montana [Mr. BAUCUS], the Senator from North Dakota [Mr. DORGAN], and the Senator from Oregon [Mr. WYDEN] were added as cosponsors of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 1189

At the request of Mr. DEWINE, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 1189, a bill to provide procedures for claims for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products.

S. 1233

At the request of Ms. MIKULSKI, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1233, a bill to assure equitable coverage and treatment of emergency services under health plans.

S. 1477

At the request of Mrs. KASSEBAUM, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1477, a bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes.

S. 1797

At the request of Mr. LEVIN, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1797, a bill to revise the requirements for procurement of products of Federal Prison Industries to meet needs of Federal agencies, and for other purposes.

S. 1838

At the request of Mr. FAIRCLOTH, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 1838, a bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the centennial anniversary of the first manned flight of Orville and Wilbur Wright in Kitty Hawk, NC, on December 17, 1903.

S. 1963

At the request of Mr. ROCKEFELLER, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1963, a bill to establish a demonstration project to study and provide coverage of routine patient care costs for Medicare beneficiaries with cancer who are enrolled in an approved clinical trial program.

S. 1967

At the request of Mr. BROWN, the names of the Senator from Indiana [Mr. COATS], the Senator from Arizona [Mr. MCCAIN], the Senator from Illinois [Ms. MOSELEY-BRAUN], and the Senator

from Alabama [Mr. SHELBY] were added as cosponsors of S. 1967, a bill to provide that members of the Armed Forces who performed services for the peacekeeping efforts in Somalia shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone, and for other purposes.

S. 1981

At the request of Mr. CRAIG, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 1981, a bill to establish a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the countries with respect to the production, processing, and sale of cattle and beef, and for other purposes.

S. 1987

At the request of Mr. FAIRCLOTH, the names of the Senator from Arizona [Mr. KYL] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 1987, a bill to amend titles II and XVIII of the Social Security Act to prohibit the use of Social Security and Medicare trust funds for certain expenditures relating to union representatives at the Social Security Administration and the Department of Health and Human Services.

**AMENDMENTS SUBMITTED****THE DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1997****BOND AMENDMENTS NOS. 5157-5159**

Mr. BOND proposed three amendments to the bill (H.R. 3666) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes; as follows:

**AMENDMENT NO. 5157**

On page 72, line 10, in lieu of the sum proposed by the Committee amendment, insert "\$1,275,000,000".

**AMENDMENT NO. 5158**

On page 85, line 15, before the period insert the following: "Provided further, That in addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, NASA shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee who is covered under subchapter III of chapter 83 or chapter 84 of title 5 to whom a voluntary separation incentive has been paid under this paragraph".

**AMENDMENT NO. 5159**

In lieu of the matter stricken on page 104, lines 18 through 20, insert the following:

**SEC. 423. CALCULATION OF DOWN PAYMENT.**

Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) is amended by adding at the end the following new paragraph:

“(10) ALASKA AND HAWAII.—

“(A) IN GENERAL.—Notwithstanding any other provision of this subsection, with respect to a mortgage originated in the State of Alaska or the State of Hawaii, involve a principal obligation not in excess of the sum of—

“(i) the amount of the mortgage insurance premium paid at the time the mortgage is insured; and

“(ii) (I) in the case of a mortgage for a property with an appraised value equal to or less than \$50,000, 98.75 percent of the appraised value of the property;

“(II) in the case of a mortgage for a property with an appraised value in excess of \$50,000 but not in excess of \$125,000, 97.65 percent of the appraised value of the property; or

“(III) in the case of a mortgage for a property with an appraised value in excess of \$125,000, 97.15 percent of the appraised value of the property.”

**SEC. 424. DELEGATION OF SINGLE FAMILY MORTGAGE INSURING AUTHORITY TO DIRECT ENDORSEMENT MORTGAGEES.**

Title II of the National Housing Act (12 U.S.C. 1707 et seq.) is amended by adding at the end the following new section:

**“DELEGATION OF INSURING AUTHORITY TO DIRECT ENDORSEMENT MORTGAGEES**

“SEC. 256. (A) AUTHORITY.—The Secretary may delegate, to one or more mortgages approved by the Secretary under the direct endorsement program, the authority of the Secretary under this Act to insure mortgages involving property upon which there is located a dwelling designed principally for occupancy by 1 to 4 families.

“(b) CONSIDERATIONS.—In determining whether to delegate authority to a mortgagee under this section, the Secretary shall consider the experience and performance of the mortgagee compared to the default rate of all insured mortgages in comparable markets, and such other factors as the Secretary determines appropriate to minimize risk of loss to the insurance funds under this Act.

“(c) ENFORCEMENT OF INSURANCE REQUIREMENTS.—

“(1) IN GENERAL.—If the Secretary determines that a mortgage insured by a mortgagee pursuant to delegation of authority under this section was not originated in accordance with the requirements established by the Secretary, and the Secretary pays an insurance claim with respect to the mortgage within a reasonable period specified by the Secretary, the Secretary may require the mortgagee approved under this section to indemnify the Secretary for the loss.

“(2) FRAUD OR MISREPRESENTATION.—If fraud or misrepresentation was involved in connection with the origination, the Secretary may require the mortgagee approved under this section to indemnify the Secretary for the loss regardless of when an insurance claim is paid.

“(d) TERMINATION OF MORTGAGEE'S AUTHORITY.—If a mortgagee to which the Secretary has made a delegation under this section violates the requirements and procedures established by the Secretary or the Secretary determines that other good cause exists, the Secretary may cancel a delegation of authority under this section to the mortgagee by giving notice to the mortgagee. Such a cancellation shall be effective upon receipt of the notice by the mortgagee or at a later date specified by the Secretary. A decision by the Secretary to cancel a delegation shall be final and conclusive and shall not be subject to judicial review.

“(e) REQUIREMENTS AND PROCEDURES.—Before approving a delegation under this section, the Secretary shall issue regulations establishing appropriate requirements and procedures, including requirements and procedures governing the indemnification of the Secretary by the mortgagee.”

**BOND (AND BYRD) AMENDMENT  
NO. 5160**

Mr. BOND (for himself and Mr. BYRD) proposed an amendment to the bill, H.R. 3666, supra; as follows:

On page 77, line 22, after the sentence ending “September 30, 1998,” insert:

The first sentence of section 1376(c) of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4026), as amended by striking all after “this subchapter” and inserting: “such sums as may be necessary through September 30, 1997 for studies under this title.”

On page 78, line 5, after the sentence ending “Insurance Reform Act of 1994,” insert:

Section 1319 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4026), is amended by striking out September 30, 1996,” and inserting “September 30, 1997.”

**BOND (AND OTHERS) AMENDMENT  
NO. 5161**

Mr. BOND (for himself, Mr. COHEN, and Ms. SNOWE) proposed an amendment to the bill, H.R. 3666, supra; as follows:

On page 72, line 15, before the period, insert: “: *Provided further*, That the funds made available in Public Law 103-327 for a grant to the City of Bangor, Maine, in accordance with House Report 103-715, shall be available for a grant to that city for meeting combined sewer overflow requirements”.

**BOND (AND OTHERS) AMENDMENT  
NO. 5162**

Mr. BOND (for himself, Mr. BURNS, and Ms. MIKULSKI) proposed an amendment to the bill, H.R. 3666, supra; as follows:

At the end of title IV, add the following:

**SEC. 4 . SENSE OF THE SENATE WITH REGARD TO COMPLIANCE WITH INTERNATIONAL OBLIGATIONS.**

(a) FINDINGS.—Congress finds that—

(1) in response to a dispute settlement finding against the United States by the World Trade Organization, the United States informed the World Trade Organization on June 19, 1996, that the United States intends to meet its international obligations to the World Trade Organization with respect to the Environmental Protection Agency's requirements on imported reformulated and conventional gasoline;

(2) the Environmental Protection Agency has initiated an open process to examine any and all options for compliance with international obligations of the United States in which a key criterion will be fully protecting public health and the environment; and

(3) many United States environmental and industrial organizations are concerned about the “Regulation of Fuels and Fuel Additives: Individual Foreign Refinery Baseline Requirements for Reformulated Gasoline” proposed on May 3, 1994 (59 Fed. Reg. 84).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, in evaluating any option for compliance with international obligations, the Administrator of the Environmental Protection Agency should—

(1) take fully into account the protection of public health and the environment and the

international obligations of the United States as a member of the World Trade Organization;

(2) ensure that the compliance review process not result in the degradation of the gasoline quality required by the Clean Air Act (42 U.S.C. 7401 et seq.) with respect to conventional and reformulated gasoline;

(3) not recognize individual foreign refiner baselines unless the Administrator determines that the issues of auditing, inspection of foreign facilities, and enforcement have been adequately addressed; and

(4) provide a full and open administrative process in the formulation of any final rule.

**MACK (AND OTHERS) AMENDMENT  
NO. 5163**

Mr. BOND (for Mr. MACK for himself, Mr. GRAHAM, and Mr. LIEBERMAN) proposed an amendment to the bill, H.R. 3666, supra; as follows:

At the end of title IV, add the following:

**SEC. 4 . IMPLEMENTATION OF COMPREHENSIVE CONSERVATION AND MANAGEMENT PLANS.**

Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year 1997 and prior fiscal years may be used for implementing comprehensive conservation and management plans.

**CRAIG (AND OTHERS) AMENDMENT  
NO. 5164**

Mr. BOND (for Mr. CRAIG, for himself, Mr. SARBINES, Ms. MOSELEY-BRAUN, Mr. KERRY, and Mrs. MURRAY) proposed an amendment to the bill, H.R. 3666, supra; as follows:

On page 30, line 14, strike “\$6,590,000,000”, and insert “\$6,740,000,000”.

On page 31, strike the proviso beginning on line 16, and insert the following: “*Provided further*, That of the total amount provided under this head, \$500,000,000 shall be available for use in conjunction with properties that are eligible for assistance under the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPHA) or the Emergency Low-Income Housing Preservation Act of 1987 (ELIPHA): *Provided further*, that amounts recaptured from interest reduction payment contracts for section 236 projects whose owners prepay their mortgages during fiscal year 1997 shall be rescinded.”

**KERRY (AND DOMENICI)  
AMENDMENT NO. 5165**

Mr. BOND (for Mr. KERRY, for himself, and Mr. DOMENICI) proposed an amendment to the bill, H.R. 3666, supra; as follows:

On page 30, line 9, delete the period and insert the following: “; *Provided*, that of the total amount made available under this head, \$50,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act or the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 [42 U.S.C. 13611].”

**BOND AMENDMENT NO. 5166**

Mr. BOND proposed an amendment to the bill, H.R. 3666, supra; as follows:

On page 72, line 15, before the period, insert: “: *Provided further*, That, notwithstanding any other provision of law, a State that

did not receive, in fiscal year 1996, grants under title VI of the Federal Water Pollution Control Act, as amended, that obligated all the funds allotted to it from the \$725,000,000 that became available for that purpose on August 1, 1996, may receive reallocated funds from the fiscal year 1996 appropriation, provided the State receives such grants in fiscal year 1997".

# **BOND (AND OTHERS) AMENDMENT NO. 5167**

Mr. BOND (for himself, Mr. D'AMATO, and Mr. BENNETT) proposed an amendment to the bill, H.R. 3666, *supra*; as follows:

On page 57, strike line 3 and all that follows through page 58, line 20, and insert the following:

## **SEC. 211. SECTION 8 CONTRACT RENEWAL AUTHORITY.**

(a) DEFINITIONS.—For purposes of this section—

(1) the term "expiring contract" means a contract for project-based assistance under section 8 of the United States Housing Act of 1937 that expires during fiscal year 1997;

(2) the term "family" has the same meaning as in section 3(b) of the United States Housing Act of 1937;

(3) the term "multifamily housing project" means a property consisting of more than 4 dwelling units that is covered in whole or in part by a contract for project-based assistance under section 8 of the United States Housing Act of 1937;

(4) the term "owner" has the same meaning as in section 8(f) of the United States Housing Act of 1937;

(5) the term "project-based assistance" means rental assistance under section 8 of the United States Housing Act of 1937 that is attached to a multifamily housing project;

(6) the term "public agency" means a State housing finance agency, a local housing agency, or other agency with a public purpose and status;

(7) the term "Secretary" means the Secretary of Housing and Urban Development; and

(8) the term "tenant-based assistance" has the same meaning as in section 8(f) of the United States Housing Act of 1937.

(b) SECTION 8 CONTRACT RENEWAL AUTHORITY.—

(1) IN GENERAL.—Notwithstanding section 405(a) of the Balanced Budget Downpayment Act, I, upon the request of the owner of a multifamily housing project that is covered by an expiring contract, the Secretary shall use amounts made available for the renewal of assistance under section 8 of the United States Housing Act of 1937 to renew the expiring contract as project-based assistance for a period of not more than 1 year, at rent levels that are equal to those under the expiring contract as of the date on which the contract expires, only if those rent levels do not exceed 120 percent of fair market rent for the market area in which the project is located.

(2) EXEMPTION FOR STATE AND LOCAL HOUSING AGENCY PROJECTS.—Notwithstanding paragraph (1), upon the expiration of an expiring contract with rent levels that exceed the percentage described in that paragraph, if the Secretary determines that the primary financing or mortgage insurance for the multifamily housing project that is covered by that expiring contract was provided by a public agency, the Secretary shall, upon the request of the public agency, renew the expiring contract—

(A) for a period of not more than 1 year; and

(B) at rent levels that are equal to those under the expiring contract as of the date on which the contract expires.

(3) INELIGIBLE CONTRACTS.—

(A) PARTICIPATION IN DEMONSTRATION.—For contracts covering a multifamily housing project that expire during fiscal year 1997 with rent levels that exceed the percentage described in paragraph (1), the Secretary shall, at the request of the owner of the project, include that multifamily housing project in the demonstration program under section 212 of this Act. The Secretary shall ensure, to the maximum extent practicable, that a project in the demonstration is maintained as affordable for low-income families for the maximum feasible period of time.

(B) EFFECT OF MATERIAL ADVERSE ACTIONS OR OMISSIONS.—Notwithstanding paragraph (1) or any other provision of law, the Secretary shall not renew an expiring contract if the Secretary determines that the owner of the multifamily housing project has engaged in material adverse financial or managerial actions or omissions with regard to the project (or with regard to other similar projects if the Secretary determines that such actions or omissions constitute a pattern of mismanagement that would warrant suspension or debarment by the Secretary).

(C) TRANSFER OF PROPERTY.—For properties disqualified from the demonstration program because of actions by an owner or purchaser in accordance with subparagraph (B), the Secretary shall establish procedures to facilitate the voluntary sale or transfer of the property, with a preference for tenant organizations and tenant-endorsed community-based nonprofit and public agency purchasers meeting such reasonable qualifications as may be established by the Secretary.

(4) TENANT PROTECTIONS.—To the extent provided in advance in an appropriations Act, any family residing in an assisted unit in a multifamily housing project that is covered by an expiring contract that is not renewed, shall be offered tenant-based assistance before the date on which the contract expires or is not renewed.

## **SEC. 212. FHA MULTIFAMILY DEMONSTRATION AUTHORITY.**

(a) IN GENERAL.—

(1) REPEAL.—

(A) IN GENERAL.—Section 210 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (110 Stat. 1321) is repealed.

(B) EXCEPTION.—Notwithstanding the repeal under subparagraph (A), amounts made available under section 210(f) the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 shall remain available for the demonstration program under this section through the end of fiscal year 1997.

(2) SAVINGS PROVISIONS.—Nothing in this section shall be construed to affect any commitment entered into before the date of enactment of this Act under the demonstration program under section 210 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996.

(3) DEFINITIONS.—For purposes of this section—

(A) the term "affordable" means, with respect to a dwelling unit, a unit for which the rents are restricted to the rent levels established under a mortgage restructuring;

(B) the term "demonstration program" means the program established under subsection (b);

(C) the term "designee" means a third-party public agency that enters into an ar-

rangement with the Secretary under subsection (b)(3);

(D) the term "expiring contract" means a contract for project-based assistance under section 8 of the United States Housing Act of 1937 that expires during fiscal year 1997;

(E) the term "family" has the same meaning as in section 3(b) of the United States Housing Act of 1937;

(F) the term "multifamily housing project" means a property consisting of more than 4 dwelling units that is covered in whole or in part by a contract for project-based assistance;

(G) the term "owner" has the same meaning as in section 8(f) of the United States Housing Act of 1937;

(H) the term "project-based assistance" means rental assistance under section 8 of the United States Housing Act of 1937 that is attached to a multifamily housing project;

(I) the term "Secretary" means the Secretary of Housing and Urban Development; and

(J) the term "tenant-based assistance" has the same meaning as in section 8(f) of the United States Housing Act of 1937.

(b) DEMONSTRATION AUTHORITY.—

(1) IN GENERAL.—The Secretary shall administer a demonstration program with respect to multifamily projects—

(A) whose owners agree to participate;

(B) with rents on units assisted under section 8 of the United States Housing Act of 1937 that are, in the aggregate, in excess of 120 percent of the fair market rent of the market area in which the project is located; and

(C) the mortgages of which are insured under the National Housing Act.

(2) PURPOSE.—The demonstration program shall be designed to test the feasibility and desirability of—

(A) ensuring, to the maximum extent practicable, that the debt service and operating expenses, including adequate reserves, attributable to such multifamily projects can be supported at the comparable market rent with or without mortgage insurance under the National Housing Act and with or without additional subsidies;

(B) utilizing project-based assistance, while taking into account the capital needs of the projects and the need for assistance to low- and very low-income families in such projects; and

(C) preserving low-income rental housing affordability and availability while reducing the long-term cost of project-based assistance.

(3) DESIGNEES.—In carrying out the demonstration program, the Secretary may enter into arrangements with one or more third-party public entities, under which the Secretary may provide for the assumption by the designee (by delegation, by contract, or otherwise) of some or all of the functions, obligations, and benefits of the Secretary.

(c) GOALS.—

(1) IN GENERAL.—The Secretary shall carry out the demonstration program in a manner that will protect the financial interests of the Federal Government through debt restructuring and subsidy reduction and, in the least costly fashion, address the goals of—

(A) maintaining existing affordable housing stock in a decent, safe, and sanitary condition;

(B) minimizing the involuntary displacement of tenants;

(C) taking into account housing market conditions;

(D) encouraging responsible ownership and management of property;

(E) minimizing any adverse income tax impact on property owners; and

(F) minimizing any adverse impacts on residential neighborhoods and local communities.

(2) **BALANCE OF COMPETING GOALS.**—In determining the manner in which a mortgage is to be restructured or a subsidy reduced under this subsection, the Secretary may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

(d) **JOINT VENTURE ARRANGEMENTS.**—

(1) **IN GENERAL.**—In carrying out the demonstration program, the Secretary may enter into joint venture arrangements with designees, under which the Secretary may provide for the assumption by the third parties (by delegation, by contract, or otherwise) of some or all of the functions, obligations, and benefits of the Secretary.

(2) **PREFERENCE.**—In entering into any arrangement under this subsection, the Secretary shall give preference to State housing finance agencies and local housing agencies to act as designees to the extent such agencies are determined to be qualified by the Secretary.

(3) **PUBLIC AGENCIES.**—Each joint venture arrangement entered into under this subsection shall include a public agency as the primary partner.

(4) **DESIGNEE PARTNERSHIPS.**—For purposes of any joint venture arrangement under this subsection, designees are encouraged to develop partnerships with each other, and to contract or subcontract with other entities, including—

- (A) public housing agencies;
- (B) financial institutions;
- (C) mortgage servicers;
- (D) nonprofit and for-profit housing organizations;
- (E) the Federal National Mortgage Association;
- (F) the Federal Home Loan Mortgage Corporation;

- (G) Federal Home Loan Banks; and
- (H) other State or local mortgage insurance companies or bank lending consortia.

(e) **LONG-TERM AFFORDABILITY.**—After the renewal of a section 8 contract pursuant to a restructuring under this section, the owner shall accept each offer to renew the section 8 contract, for a period of 20 years from the date of the renewal under the demonstration, if the offer to renew is on terms and conditions, as agreed to by the Secretary or designee and the owner under a restructuring.

(f) **PROCEDURES.**—

(1) **NOTICE OF PARTICIPATION IN DEMONSTRATION.**—Not later than 45 days before the date of expiration of an expiring contract (or such later date, as determined by the Secretary, for good cause), the owner of the multifamily housing project covered by that expiring contract shall notify the Secretary or designee of the owner's intent to participate in the demonstration program.

(2) **DEMONSTRATION CONTRACT.**—Upon receipt of a notice under paragraph (1), the owner and the Secretary or designee shall enter into a demonstration contract, which shall provide for initial section 8 project-based rents at the same rent levels as those under the expiring contract or, if practical, the budget-based rent to cover debt service, reasonable operating expenses (including reasonable and appropriate services), and a reasonable return on equity, as determined solely by the Secretary. The demonstration contract shall be for the minimum term necessary for the rents and mortgages of the multifamily housing project to be restructured under the demonstration program.

(g) **HUD-OWNED AND HUD-HELD MORTGAGES.**—For purposes of carrying out the demonstration program—

(1) the Secretary may manage and dispose of multifamily properties owned by the Sec-

retary and multifamily mortgages held by the Secretary, on such terms and conditions as the Secretary may determine, without regard to any other provision of law; and

(2) as provided under subsection (b)(3), the Secretary may delegate to one or more designees the authority to carry out some or all of the functions and responsibilities of the Secretary in connection with mortgages held by the Secretary under the National Housing Act.

(h) **DEMONSTRATION ACTIONS.**—For purposes of carrying out the demonstration program, and in order to ensure that contract rights are not abrogated, subject to such third party consents as are necessary (if any), including consent by the Government National Mortgage Association if it owns a mortgage insured by the Secretary, consent by an issuer under the mortgage-backed securities program of the Association, subject to the responsibilities of the issuer to its security holders and the Association under such program, and consent by parties to any contractual agreement which the Secretary proposes to modify or discontinue, the Secretary or, except with respect to paragraph (2), designee, shall take not less than 1 of the actions specified in paragraphs (6), (7), and (8) and may take any of the following actions:

(1) **REMOVAL OF RESTRICTIONS.**—

(A) **IN GENERAL.**—Notwithstanding any other provision of law, and subject to the agreement of the owner of the project and after consultation with the tenants of the project, the Secretary or designee may remove, relinquish, extinguish, modify, or agree to the removal of any mortgage, regulatory agreement, project-based assistance contract, use agreement, or restriction that had been imposed or required by the Secretary, including restrictions on distributions of income which the Secretary or designee determines would interfere with the ability of the project to operate without above-market rents.

(B) **ACCUMULATED RESIDUAL RECEIPTS.**—The Secretary or designee may require an owner of a property assisted under the section 8 new construction/substantial rehabilitation program under the United States Housing Act of 1937 to apply any accumulated residual receipts toward effecting the purposes of this section.

(2) **REINSURANCE.**—With respect to not more than 5,000 units during fiscal year 1997, the Secretary may enter into contracts to purchase reinsurance, or enter into participations or otherwise transfer economic interest in contracts of insurance or in the premiums paid, or due to be paid, on such insurance to the designee, on such terms and conditions as the Secretary may determine.

(3) **INDUCE PARTICIPATION OF THIRD PARTIES.**—Notwithstanding any other provision of law, of amounts made available under appropriations Acts, including amounts made available under this section, the Secretary or designee may enter into such agreements, provide such concessions, incur such costs, make such grants (including grants to cover all or a portion of the rehabilitation costs for a project) and other payments, and provide other valuable consideration, as may reasonably be necessary to induce participation of owners, lenders, servicers, third parties, and other entities in the demonstration program, including the use of fees for contract administration under section 8 of the United States Housing Act of 1937 for purposes of any contract restructured or renewed under the demonstration program.

(4) **FULL OR PARTIAL PAYMENT OF CLAIM.**—Notwithstanding any other provision of law, the Secretary may make a full payment of claim or partial payment of claim prior to default.

(5) **CREDIT ENHANCEMENT.**—

(A) **IN GENERAL.**—The Secretary or designee may provide FHA multifamily mortgage insurance, reinsurance, or other credit enhancement alternatives, including retaining the existing FHA mortgage insurance on a restructured first mortgage at market value or using the multifamily risk-sharing mortgage programs, as provided under section 542 of the Housing and Community Development Act of 1992.

(B) **EFFECT OF LIMITATIONS.**—Any limitations on the number of units available for mortgage insurance under section 542 shall not apply to insurance issued for purposes of the demonstration program.

(C) **MAXIMUM PERCENTAGE.**—During fiscal year 1997, not more than 10 percent of multifamily housing projects with expiring contracts may be restructured without FHA insurance, unless otherwise agreed by the owner of a project.

(D) **CREDIT SUBSIDY.**—Subject to the funding restrictions under subsection (1), any credit subsidy costs of providing mortgage insurance shall be paid from the General Insurance Fund and the Special Risk Insurance Fund.

(6) **MORTGAGE RESTRUCTURING.**—

(A) **IN GENERAL.**—The Secretary or designee may restructure mortgages to provide a restructured first mortgage to cover debt service and operating expenses at the market rent, and a second mortgage equal to the difference between the restructured first mortgage and the mortgage balance of the eligible multifamily housing project at the time of restructuring.

(B) **INTEREST RATE ON SECOND MORTGAGE.**—The second mortgage shall bear interest at a rate not to exceed the applicable Federal rate for a term not to exceed 40 years.

(C) **TIMING OF PAYMENTS.**—If the first mortgage remains outstanding, payments of interest and principal on the second mortgage shall be made from all excess project income only after the payment of all reasonable and necessary operating expenses (including deposits in a reserve for replacement), debt service on the first mortgage, and such other expenditures as may be approved by the Secretary.

(D) **ASSUMPTION OF SECOND MORTGAGE.**—The second mortgage shall be assumable by any subsequent purchaser of the multifamily housing project.

(E) **DISPOSITION OF PROPERTY.**—The balance of the principal and accrued interest due under the second mortgage shall be fully payable upon disposition of the property, unless the mortgage is assumed under subparagraph (D).

(F) **SECOND MORTGAGE REPAYMENT.**—The owner shall begin repayment of the second mortgage upon full payment of the first mortgage in equal monthly installments in an amount equal to the monthly principal and interest payments formerly paid under the first mortgage.

(G) **FAILURE TO COMPLY.**—The principal and interest of a second mortgage shall be immediately due and payable upon a finding by the Secretary that an owner has failed to materially comply with this section or any applicable requirement of the United States Housing Act of 1937 in relation to the project at issue.

(H) **CREDIT SUBSIDY.**—Subject to the funding restrictions under subsection (1), any credit subsidy costs of providing a second mortgage shall be paid from the General Insurance Fund and the Special Risk Insurance Fund.

(7) **DEBT FORGIVENESS.**—The Secretary or designee, for good cause and at the request of the owner of a multifamily housing project, may forgive at the time of the restructuring of a mortgage any portion of a debt on the project that exceeds the market value of the

project. In exchange for debt forgiveness under this paragraph, the project shall remain affordable to low-income families for a period of 20 years, unless otherwise provided by the Secretary.

(8) **BUDGET-BASED RENTS.**—During fiscal year 1997, the Secretary or designee may renew an expiring contract, for a period of not more than 1 year, at a budget-based rent that covers debt service, reasonable operating expenses (including all reasonable and appropriate services), and a reasonable return on equity, as determined solely by the Secretary, but that does not exceed the rent levels under the expiring contract. The Secretary may establish a preference under the demonstration program for budget-based rents for unique housing projects, such as projects designated for occupancy by elderly families in rural areas.

(i) **COMMUNITY AND TENANT INPUT.**—In carrying out this section, the Secretary shall develop procedures to provide appropriate and timely notice, including an opportunity for comment, to officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

(j) **LIMITATION ON DEMONSTRATION AUTHORITY.**—The Secretary shall carry out the demonstration program with respect to mortgages not to exceed 50,000 units.

(k) **PRIORITY FOR PARTICIPATION.**—The Secretary or designee shall give priority for participation in the demonstration program to any owner of an eligible multifamily housing project with an expiring contract for project-based assistance.

(l) **FUNDING.**—In addition to the \$30,000,000 made available under section 210 of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (110 Stat. 1321), for the costs (including any credit subsidy costs associated with providing direct loans or mortgage insurance) of modifying and restructuring loans held or guaranteed by the Federal Housing Administration, as authorized under this section, \$10,000,000, are hereby appropriated, to remain available until September 30, 1998.

(m) **REPORT TO CONGRESS.**—

(1) **IN GENERAL.**—

(A) **BIANNUAL REPORTS.**—Not less than biannually, the Secretary shall submit to the Congress a report describing and assessing the programs carried out under the demonstration program.

(B) **FINAL REPORT.**—Not later than 6 months after the end of the demonstration program, the Secretary shall submit to the Congress a final report on the demonstration program.

(2) **CONTENTS.**—Each report submitted under paragraph (1) shall include—

(A) any findings and recommendations for legislative action; and

(B) a description of the status of each multifamily housing project selected for the demonstration program.

(3) **CONTENTS OF FINAL REPORT.**—The report submitted under paragraph (1)(B) may include—

(A) with respect to each multifamily housing project participating in the demonstration program, information relating to—

(i) the size of the project;

(ii) the geographic locations of the project, by State and region;

(iii) the physical and financial condition of the project;

(iv) the occupancy profile of the project, including the income, family size, race, and ethnic origin of the tenants, and the rents paid by those tenants;

(v) a description of actions undertaken pursuant to this section, including a description of the effectiveness of such actions and

any impediments to the transfer or sale of the projects;

(vi) a description of the extent to which the demonstration program has displaced tenants of the project;

(vii) a description of the impact to which the demonstration program has affected the localities and communities in which the projects are located; and

(viii) a description of the extent to which the demonstration program has affected the owners of the projects; and

(B) a description of any of the functions performed in connection with this section that are transferred or contracted out to public or private entities or to State entities.

## THE DEFENSE OF MARRIAGE ACT

### NICKLES AMENDMENT NO. 5168–5170

(Ordered to lie on the table.)

Mr. NICKLES submitted three amendments intended to be proposed by him to the bill (H.R. 3396) to define and protect the institution of marriage; as follows:

#### AMENDMENT No. 5168

At the appropriate place in the bill, insert the following new sections:

#### SEC. . REIMBURSEMENT OF CERTAIN ATTORNEY FEES AND COSTS.

(a) **IN GENERAL.**—The Secretary of the Treasury shall pay, from amounts in the Treasury not otherwise appropriated, such sums as are necessary to reimburse former employees of the White House Travel Office whose employment in that Office was terminated on May 19, 1993, for any attorney fees and costs they incurred with respect to that termination.

(b) **VERIFICATION REQUIRED.**—The Secretary shall pay an individual in full under subsection (a) upon submission by the individual of documentation verifying the attorney fees and costs.

(c) **NO INFERENCE OF LIABILITY.**—Liability of the United States shall not be inferred from enactment of or payment under this section.

#### SEC. . LIMITATION ON FILING OF CLAIMS.

The Secretary of the Treasury shall not pay any claim filed under this Act that is filed later than 120 days after the date of the enactment of this Act.

#### SEC. . REDUCTION.

The amount paid pursuant to this Act to an individual for attorneys fees and costs described in section shall be reduced by any amount received before the date of the enactment of this Act, without obligation for repayment by the individual, for payment of such attorney fees and costs (including any amount received from the funds appropriated for the individual in the matter relating to the "Office of the General Counsel" under the heading "Office of the Secretary" in title I of the Department of Transportation and Related Agencies Appropriations Act, 1994).

#### SEC. . PAYMENT IN FULL SETTLEMENT OF CLAIMS AGAINST THE UNITED STATES.

Payment under this Act, when accepted by an individual described in section , shall be in full satisfaction of all claims of, or on behalf of, the individual against the United States that arose out of the termination of the White House Travel Office employment of that individual on May 19, 1993.

#### AMENDMENT No. 5169

At the appropriate place in the bill, insert the following new sections:

#### SEC. . SHORT TITLE.

This Act may be cited as the "Workers Political Freedom Act of 1996".

#### SEC. . WORKERS' POLITICAL RIGHTS.

(a) **UNFAIR LABOR PRACTICES BY EMPLOYEES PROHIBITED.**—Section 8(a) of the National Labor Relations Act (29 U.S.C. 158(a)) is amended by—

(1) striking the period at the end of paragraph (5) and inserting in lieu thereof "; or"; and

(2) adding after paragraph (5) the following new paragraph:

"(6) to receive from an employee dues, initiation fees, assessments, or other payments as a condition of employment for use for political activities in which the employer is engaged unless with the prior written voluntary authorization of the employee."

(b) **UNFAIR LABOR PRACTICES BY LABOR ORGANIZATIONS PROHIBITED.**—Section 8(b) of the National Labor Relations Act (29 U.S.C. 158(b)) is amended by—

(1) striking "and" at the end of paragraph (6);

(2) striking the period at the end of paragraph (7) and inserting in lieu thereof a semicolon; and

(3) adding after paragraph (7) the following new paragraph:

"(8) to receive from a member or non-member dues, initiation fees, assessments, or other payments as a condition of membership in the labor organization or as a condition of employment for use for political activities in which the labor organization is engaged unless with the prior written voluntary authorization of the member or non-member: *Provided*, That nothing in this paragraph shall be construed to deprive the courts of their concurrent jurisdiction over claims that a labor organization's use of the monies specified in this paragraph, or over the procedures for objecting to such spending, breaches the duty of fair representation."

#### AMENDMENT No. 5170

At the appropriate place in the bill, insert the following new section:

#### SEC. . REQUIREMENT TO COMPLY WITH 5-YEAR TIME LIMIT FOR WELFARE ASSISTANCE.

(a) **IN GENERAL.**—Not later than 10 days after the date of the enactment of this Act, the Secretary of Health and Human Services (in this Act referred to as the "Secretary") shall rescind approval of the waiver described in subsection (b). Upon such rescission, the Secretary shall immediately approve such waiver in accordance with subsection (c).

(b) **WAIVER DESCRIBED.**—The waiver described in this subsection is the approval by the Secretary on August 19, 1996, of the District of Columbia's Welfare Reform Demonstration Special Application for waivers, which was submitted under section 1115 of the Social Security Act, and entitled the District of Columbia's Project on Work, Employment, and Responsibility (POWER).

(c) **CONDITION FOR WAIVER APPROVAL.**—The Secretary of Health and Human Services shall not approve any part of the waiver described in subsection (b) that relates to a time limit on receipt of assistance.

#### KENNEDY (AND OTHERS) AMENDMENT NO. 5171

(Ordered to lie on the table.)

Mr. KENNEDY (for himself, Mr. JEFFORDS, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by them to the bill, H.R. 3396, *supra*; as follows: